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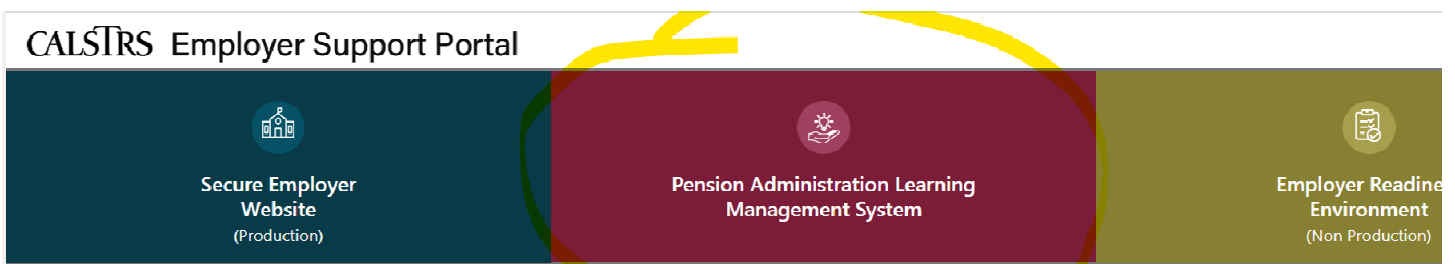
**From:** Lena Young-Gallardo  
**Sent:** Monday, September 26, 2022 4:15 PM  
**To:** BSD-CBO List; BSD-FinMgrsMeet List; Newpy List; Persadmin List  
**Cc:** BSD-ExecutiveStaffList  
**Subject:** Useful CalSTRS information  
**Attachments:** CalSTRS Creditable Service Checklist.pdf; CalSTRS Creditable Compensation Checklist.pdf

Good afternoon,

Attached are two informational worksheets created by CalSTRS to assist districts in determining if a position is creditable to CalSTRS and if the compensation being paid is creditable as salary or special pay. While the worksheets are comprehensive and detailed, if you are still unsure please reach out to the Retirement Unit for assistance. While the worksheets have the option to submit them directly to CalSTRS, our office can generally make the determination and if needed will submit to CalSTRS on the districts behalf. This will expedite the response as CalSTRS typically has a five business day turnaround time.

Another additional resource that can be utilized is the CalSTRS Pension Administration Learning Management System (PALMS). This platform has multiple trainings from Membership, Creditable Compensation, Reduced Workload to Post Retirement Employment. The platform requires a user to create an account which is separate from their Secure Employer Website (SEW) access and does not require authorization from District Financial Services. It gives the user the option to sign up for any of the web based trainings and includes a PDF of the presentation for future reference. Below is the link for this site:

<https://employersupport.calstrs.com/>



For additional help or questions, please contact the Retirement Unit at [DFS.Retirement@sbcss.net](mailto:DFS.Retirement@sbcss.net).

Thanks,  
Lena



***Transforming lives through education***

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# Creditable Service Checklist

This document provides a checklist of the requirements for creditable service to assist employer reporting partners in analyzing a position's eligibility for CalSTRS benefits. See our [Creditable Service job aid](#) at employersupport.CalSTRS.com for more detailed information. If you have questions regarding the creditability of the compensation associated, see our [Creditable Compensation job aid](#) and/or [Creditable Compensation Checklist](#) at employersupport.CalSTRS.com. For more information regarding employees working after retirement, see our [Working After Retirement](#) job aid at employersupport.CalSTRS.com.

If you have questions, contact [EmployerTraining@CalSTRS.com](mailto:EmployerTraining@CalSTRS.com) or send a secure message in the Secure Employer Website. Please include applicable supporting documentation for review.

Revised: 09/20/2022

## Conditions Creditable Service (EDC 22119.5 & 26113)

When evaluating if a position is creditable to CalSTRS, we must meet three conditions. If the three conditions are not met the position may not be creditable to CalSTRS. Please continue to the Service Creditable Another Way section to further evaluate the position.

### 1. Employing Agency

- Is the position employed by a CalSTRS employer?
  - Charter school (must be approved and eligible for State apportionment)
  - Community college district
  - County office of education
  - School district (including joint powers authorities)

## 2. Minimum Requirements and Exemptions

- Does the position meet the minimum requirements or an exemption for that employer type?

### County Office of Education or PreK-12 School District

- Does the CTC require certification qualifications for the position?
- Does the position meet one of the following exemptions?
  - Superintendent
  - Employed in the Peer Assistance and Review program
  - Audiologist

### Charter School

- There are no minimum requirements for CalSTRS purposes. There may be additional employment considerations outside of CalSTRS law, please see the Department of Education for more information.

### Community College District

- Are they employed in a position subject to minimum standards adopted by the Board of Governors of the California Community Colleges pursuant to EDC 87356?
  - Which of the following is the position employed as?
    - Faculty member, as defined in EDC 87003
    - Academic position, as defined in EDC 87001(b)
    - Educational administrator, as defined in EDC 87002(b)
- Does the position meet one of the following exemptions?
  - President or Chancellor
  - Audiologist
  - Employed under contract with the Department of Defense to provide vocational training

### 3. Creditable Service Activities

- Is the position overall performing one or more creditable service activities?
  - The work of teachers, instructors, district interns, and academic employees employed in the instructional program for pupils
  - Education or vocational counseling, guidance, and placement services
  - Program research and evaluation
  - Curriculum and material development
  - The examination, selection, in-service training, mentoring, or assignment of teachers, principals, or other similar personnel involved in the instructional program
  - The work of nurses, physicians, speech therapists, psychologists, audiologists, and other California public school health professionals.
  - California public school librarian
  - Activities connected with the enforcement of the laws relating to compulsory education, coordination of child welfare activities involving the school and the home, and the school adjustment of pupils
  - The work of employees who are responsible for the supervision of persons or administration of the other creditable service activities

### Service Creditable Another Way

Positions that are performing service that is not typically creditable to CalSTRS may still be creditable if they meet any of the following circumstances.

#### Outgrowth (EDC 22119.5)

If the service meets the following criteria, it is creditable as outgrowth.

- Is the service an outgrowth of the instructional or guidance program of the public school?
- Is the employee performing another creditable service activity for the same employer in the same fiscal year?

**Elected officer of an employee organization (EDC 22711)**

Service as an elected officer is only creditable for the Defined Benefit Program and must meet the following criteria.

- Is the member elected as an officer of an employee organization?
- Are they on a compensated leave of absence pursuant to EDC 44987 or 87768.5?
- Were they employed and did they perform creditable service in the month prior to beginning their leave of absence?

**Trustee Service (EDC 26403)**

Trustee service is only creditable to the Cash Balance Benefit Program (CB) and must meet the following criteria.

- Are you an employer that offers the CB?
- Did the trustee make a valid election to participate in CB?

**Other Retirement System Service – Grandfathering (EDC 22119.6)**

If the following conditions are met, while the employee remains in the position their service is creditable to CalSTRS. If they leave the position, it must be re-evaluated for creditable service or a retirement system election.

- Was the service performed for an employer on or before December 31, 2015?
- Was it misreported as creditable service to CalSTRS?
- Is the employee still employed in the same position for the same employer?

**Other Retirement System Service – Retirement System Election (EDC 22508 & I22508.5)**

If the following condition is met, the service is creditable to CalSTRS for that employer in that position.

- Did the employee complete a *Retirement System Election* (ES 372) form for the position?

**Additional Assistance**

If you'd like additional assistance in analyzing the position, click the submit button or email [EmployerTraining@CalSTRS.com](mailto:EmployerTraining@CalSTRS.com). Including this completed form and documentation regarding the payment can reduce the amount of follow up questions and wait times on inquiries you submit.

# Creditable Compensation Checklist

This document provides a checklist of the requirements for creditable compensation to assist employer reporting partners in analyzing when compensation is reportable to CalSTRS. See our [Creditable Compensation job aid](#) at employersupport.CalSTRS.com for more detailed information. If you have questions regarding the creditability of the service associated, see our [Creditable Service job aid](#) and/or [Creditable Service Checklist](#) at employersupport.CalSTRS.com.

If you have questions, contact [EmployerTraining@CalSTRS.com](mailto:EmployerTraining@CalSTRS.com) or send a secure message in the Secure Employer Website. Please include applicable supporting documentation for review.

Revised: 09/20/2022

## Conditions of creditable compensation (EDC 22119.2 & 22119.3)

When evaluating if a payment is creditable to CalSTRS we must first meet the conditions of creditable compensation. If any of the first three conditions are not met, the payment is not creditable to CalSTRS. If only the fourth condition is not met, the payment is not creditable for DB 2% at 62 members but may still be creditable for DB 2% at 60 members.

- Is the payment associated with the performance of creditable service?
  - What service are they performing?
  
- Is it paid according to a publicly available written contractual agreement?
  - What type of documentation do you have for the payment?

Examples: MOU, board minutes, salary schedule, bargaining agreement, etc.

- Is it paid in cash to all in the same class of employees?
- Is it paid each pay period that creditable service is performed (DB 2% at 62 only)?

## Salary vs. Special Pay (5 CCR 27400 & 27401)

When the conditions of creditable compensation are met, the payment must then meet the requirements of salary or special pay. If the payment does not meet the requirements of salary or special pay, it is not reportable to CalSTRS for either benefit structure.

### Salary

If a payment does not meet the following requirements, it will not be reportable as salary.

- Is the payment directly for the performance of creditable service or additional creditable service?
  - What service are they performing?
  
- Is it explicitly characterized as salary and used as a basis for future pay increases?
  - Is it exempt as payment for activities related to an outgrowth of the instructional program?
  - Is it exempt as duties related to related to the examination, selection, in-service training, mentoring, or assignment of teachers, principals or other similar personnel involved in the instructional program?

### Special pay

If a payment does not meet the following requirements, it will not be reportable as special pay.

- Is the payment not associated with the performance of *additional* service?
- Is it paid to all in the class of employees in the same dollar amount, percentage of salary, or amount being distributed?
- Is it paid in the same manner to all in the class and not available in an alternative format subject to choice by employer or employee?
- Is the payment for meeting one of the special pay contingencies:
  - Availability of funding
  - Certificate/license/degree
  - Longevity
  - Hiring/transfer/retirement



- Difficult to staff
- Excess students
  - Is the full-time associated with a non-time-based measure?
  - Is the non-time based compensation associated with earning additional load credits?
  - If you've checked both boxes, you will need to evaluate the payment as salary.
- Performance benchmark

### **Special Pay – Ongoing or Limited term (5 CCR 27602)**

If a payment meets the requirements of special pay, it can be considered ongoing or limited term, which will impact reportability for 2% at 62 members and reporting codes for 2% at 60.

- Is the payment paid every pay period the creditable service is performed, and available on an ongoing basis?
  - If so, the payment is reportable for 2% at 60 and 2% at 62 members
- Is the payment available on an ongoing basis, but not paid each pay period?
  - If so, the payment is only reportable for 2% at 60 members.
- Is the payment paid a limited number of times, has a specified end date, or is otherwise scheduled to not continue?
  - If so, the payment is only reportable for 2% at 60 members.

### **Additional Assistance**

If you'd like additional assistance in analyzing the payment, click the submit button or email [EmployerTraining@CalSTRS.com](mailto:EmployerTraining@CalSTRS.com). Including this completed form and documentation regarding the payment can reduce the amount of follow up questions and wait times on inquiries you submit.